supervisory body as suggested would suffer from similar legislative handicap that RBI suffers today. Therefore, State Governments have been advised to modify the State Cooperative Societies Act, in line with the Model Cooperative Act. Simultaneously, besides taking measures to revitalize the cooperative credit system, the efforts of the Union Government are also directed towards making necessary changes in Banking Regulation Act, 1949 to further expand the jurisdiction of RBI over cooperative Banks.

**Recovery of indirect taxes**

†662. SHRIMATI SAROJ DUBEY:
SHRI MOOLCHAND MEENA:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that during current financial year the recovery of indirect taxes is unlikely to be according to the Budget estimates;

(b) if so, the reasons therefor; and

(c) the steps taken to meet the Budget estimates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) As per departmental records, the central excise and customs revenue have registered 16.31 percent and 11.44 percent growth respectively during 2002-2003 (April 2002 to January 2003) over corresponding period of the last year, Similarly, the Service Tax has registered 24.72 percent growth during 2002-2003 (April 2002 to January 2003) over corresponding period of last year. A number of exemptions were also made throughout the year including reduction in excise duty on petrol and diesel. Service tax on life insurance services was also exempted. The draught in the country has also affected the growth of the economy. In view of this, it may not be possible at this point of time to estimate with any fair degree of accuracy, the indirect tax collection for the financial year 2002-2003.

(b) A number of steps are being taken to achieve the budget estimate. These include rationalization of tariff structure, review and withdrawal of

†Original notice of the question was received in Hindi.

tax exemptions wherever necessary, plugging leakage of revenue through strengthening anti-smuggling and anti-evasion measures, monitoring and disseminating international prices of imported commodities and simplification of tax collection procedures to improve tax compliance.

**Merger of Nedungadi Bank with PNB**

663. SHRI J. CHITHARANJAN:
SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Nedungadi Bank has been merged with the Punjab National Bank; and

(b) if so, the terms and conditions of the merger agreement and since when it has become effective?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The scheme of amalgamation of Nedungadi Bank Ltd. (NBL) with Punjab National Bank (PNB) came into effect from 1st February, 2003. The terms and conditions of the scheme *inter-alia* include that:—

(i) The business, properties, assets and liabilities of NBL shall stand transferred to PNB;

(ii) All contracts, deeds, bonds, agreements, powers of attorney etc. having effect immediately before the date of amalgamation, shall be effective and may be acted upon as if PNB had been a party thereto or as if it had been issued in favour of NBL;

(iii) Any suit, appeal, legal proceedings pending shall not abate, be discontinued or be prejudicially affected but shall be prosecuted and enforced by or against the transferee bank.;

(iv) The books of NBL shall be closed and balanced and balance sheet prepared at the close of business on the date immediately preceding imposition of moratorium and the balance sheet shall be got audited and certified;